

PUBLIC PERCEPTIONS AND EXPERIENCES WITH MANAGED CARE
APPENDIX A: LITERATURE REVIEW
FINDINGS

I. FINDINGS

The *Task Force Survey* was designed based on a careful review of existing research. This section is intended to place the results of that survey in context by reviewing the findings of other public opinion and plan member satisfaction and experience studies conducted from 1994-1997.

The impact of managed care on public satisfaction and experience with their health care system has been the subject of numerous studies, yet the existing body of research on this topic lacks consistent emphasis and methodology. Comparing the results of one survey to another is difficult because of different sample populations, questions, and varying levels of rigor in the analysis. Nevertheless, several themes emerge which are supported by the findings of the *Task Force Survey*.

A. Perceptions of Managed Care

A published review of six recent surveys stated that “most Americans are well satisfied with many aspects of their care, regardless of the type of coverage they have. This review draws the same conclusion. However, many Americans’ attitudes toward the concept of managed care contain a level of mistrust and concern that lies in contrast to a high level of satisfaction with their individual experiences with the managed health care system.”^{2,3,4}

B. Overall Satisfaction

Despite the differences in focus and methodology, most studies of the insured adult population conclude that Americans are generally satisfied with their health care coverage and the quality of their care, regardless of type of plan. Typical results show that approximately four out of five people are satisfied with their plan, with over 50% highly satisfied.^{5,6,7,8}

¹ Donelan K, “What Patients Really Think of Managed Care,” *Managed Care*, February 1996, 17-24.

² “Is There A Managed Care ‘Backlash?’”, Kaiser Family Foundation Press Release on the Kaiser/Harvard National Survey of Americans’ Views on Managed Care, conducted August 22 to September 23, 1997.

³ A similar poll by Louis Harris found that 51% of Americans say that managed care does a “good job” serving customers, compared to 83% for physicians, 79% for pharmaceutical companies and 77% for hospitals. In comparison, telephone companies received 80% favorable ratings and banks 75%. Louis Harris Associates, 1997, cited in Alex Pham, “HMOs Seek Cure to Image Malady,” *Boston Globe*, June 12, 1997, C1.

⁴ “1997 California Business Climate Survey”, California Business Roundtable and California Chamber of Commerce, October 1997.

⁵ Donelan K, “What Patients Really Think of Managed Care,” *Managed Care*, February 1996, 17-24.

⁶ “Public Opinion of Health Plans Up,” *Health Market*, September 29, 1997, vol. XIV, #15, page 1.

⁷ Pacific Business Group on Health (PBGH), *California Consumer HealthScope* 1997.

⁸ “Health Care in California”, Study #36, *Los Angeles Times*, June 1995.

C. Preferred Plans

Several studies have measured satisfaction by type of managed care plan (HMO, PPO, POS) and compared these ratings to those observed in traditional unmanaged fee-for-service (“indemnity”) enrollees.^{9,10} The results of these surveys are mixed, and often contradictory. In the majority of surveys, managed care plans tend to score higher than indemnity plans overall, based on higher satisfaction with costs and paperwork loads. HMOs and PPOs tend to score higher than POS plans, largely based on the high dissatisfaction with POS procedures for seeing out-of-network physicians.^{11,12} Studies that show indemnity preference cite the importance of physician choice. In general, all types of plans produce satisfaction ratings consistent with the overall average. Each option has its strengths and weaknesses, and no one approach emerges as the clear public preference.

D. Studies Comparing California to the Nation

The results for California do not vary significantly from those reported for the national population. Large studies where intra-survey comparisons are possible show California near the national average in satisfaction.¹³

E. Areas of Dissatisfaction

While overall satisfaction is high, issues related to specialist care emerge as a common category of concern. Managed care plans, compared to Medicare and unmanaged indemnity coverage, produce lower satisfaction levels on the “quality of specialist care” and the “ease of getting referrals” to specialists.¹⁴ Indemnity plans suffer similar problems, although not to the same degree. Problems receiving the care a patient or the patient’s physician believes is necessary is also an important source of frustration across all types of plans.¹⁵

F. Trends

Studies that track satisfaction over time report a general stabilization in consumer attitudes over the past two years.¹⁶ The researchers say these results suggest that managed care is achieving and maintaining high levels of satisfaction, even as a larger percentage of the population is exposed to it. One possible explanation for this trend is a growing familiarity of the general public with the concept of managed care, indicative of a normal

⁹ Pacific Business Group on Health (PBGH), *Health Plan Value Check* 1996.

¹⁰ CareData Reports, *Survey of Health Plan Members* 1996 & 1997.

¹¹ Schwartz MP, “Significant Disparities in HMO Satisfaction: Study,” *National Underwriter*, November 6, 1995, p. 46.

¹² CareData Reports, Inc., *1998 Novartis Report On Member Satisfaction With Managed Care*

¹³ CareData Reports, *Survey of Health Plan Members* 1996 & 1997.

¹⁴ Blendon RJ, et al., “Americans Compare Managed Care, Medicare, and Fee-for-Service,” *Journal of American Health Policy* May/June 1994, 42-47.

¹⁵ PBGH, *Health Plan Value Check* 1996.

¹⁶ “Consumer Satisfaction Surveys and Health Plans,” *Research Highlights*, American Association of Health Plans, July 14, 1997, based on National Research Corporation, *NRC Healthcare Market Guide V and VI*, 1994, 1996.

adoption process for any new product or service¹⁷. One analysis found that while satisfaction in general increased slightly over a three-year period, satisfaction decreased for those members who experienced administrative processes such as submitting a claim, seeking approval of care, and making a telephone call to their plan¹⁸.

G. Satisfaction vs. Quality

The relationship between satisfaction and quality of care is complex and not definitively understood. In general, satisfaction levels with *health plans* are higher than the perceptions of care quality, although satisfaction with *physician* quality is consistently high. Plans that score well on objective measures of quality do not necessarily perform well on member satisfaction surveys^{19,20}. The relative importance of the care delivered in the clinic or the physician office and the administrative and operational processes as an influence on member satisfaction is a point of ongoing study.

H. Medicare HMOs

The growth of managed care among Medicare populations has produced high satisfaction ratings. With few exceptions, studies of this specific managed care population show that they are generally satisfied with their care, and that they compare favorably to the general population and traditional Medicare beneficiaries^{21,22,23}.

I. Impact of Health Status on Satisfaction

Plan members who are in good health report significantly higher levels of satisfaction with their health plan than members who are in poor health. This finding is not unique to managed care, however, as indemnity patients who are in poor health also voice greater dissatisfaction with their care. Authors of these studies emphasize the importance of focusing not on the overall satisfaction levels of greater than 80%, but instead weighting more heavily the opinions of those with greater exposure to the health care system²⁴.

¹⁷ "Public Opinion of Health Plan Up, Choice of Physician Seen Rising," *Health Market* vol. XIV, #15, September 29, 1997, p. 3.

¹⁸ Stanley M, Testimony presented to the Managed Health Care Improvement Task Force, July 26, 1997 based on analysis of PBGH *Health Plan Value Check* member satisfaction survey.

¹⁹ The Pacific Business Group on Health and The Medical Quality Commission *The Physician Value Check Survey Report*, 1997.

²⁰ Spragins E, "The Numbers Racket," *Newsweek*, May 5, 1997, p. 77.

²¹ Riley GF, Ingber MJ, and Tudor GJ, "Disenrollment of Medicare Beneficiaries From HMOs," *Health Affairs*, September/October 1997, pp. 117-124.

²² National Research Corporation *NRC Healthcare Market Guide V and VI*, 1994, 1996 cited in Joyce Jensen, "HMO Satisfaction Slipping," *Modern Healthcare*, Oct. 7, 1996, p. 86.

²³ American Hospital Association, May 1994, cited in "Research Highlights" (RH 4/24-97), American Association of Health Plans, July 14, 1997.

²⁴ Blendon RJ, et al., "Americans Compare Managed Care, Medicare, and Fee-for-Service," *Journal of American Health Policy* May/June 1994, 42-47.

J. Impact of Choice on Satisfaction

A widely cited study conducted by the Commonwealth Fund showed that managed care members whose employers offered no choice of plans were much more likely (22% vs. 14%) to be dissatisfied with the plan overall than those who were given a choice.²⁵ A similar effect holds for employees who had indemnity coverage without and with options (14% vs. 8%).

K. Sources of Variation in Results across Surveys

The news media have given managed care satisfaction studies significant coverage. In turn, the public has received a wide range of often contradictory reports about the ability of managed care plans to satisfy their needs. One major source of this variation is the definition of what constitutes a “satisfied” plan member. Depending on the study, “satisfaction” is defined as three or above on a five point scale, or limited to six or above on a seven point scale. This simple factor can produce satisfaction ratings that vary by over 30 percentage points, thereby painting very different pictures of the public’s perception.

Critics of many satisfaction studies point to the fact that plans tend to survey far more healthy people than those with actual experience with how the system treats patients. Healthy people are more numerous and likely to give high satisfaction ratings, and their opinions can mask real dissatisfaction by those who are heavy users of the health care system. Furthermore, those who are dissatisfied and leave plans are often not included in the sample pools. Rigorous studies oversample these populations to get a more balanced view of member satisfaction.

²⁵ Davis K and Schoen C, “Managed Care, Choice, and Patient Satisfaction,” The Commonwealth Fund, August 1997, p. 7.

PUBLIC PERCEPTIONS AND EXPERIENCES WITH MANAGED CARE
APPENDIX A: LITERATURE REVIEW
BACKGROUND PAPER

I. INTRODUCTION

The impact of managed care on public satisfaction and experience with their health care system has been the subject of numerous studies, yet the existing body of research on this topic lacks consistent emphasis and methodology. Comparing the results of one survey to another is difficult because of different sample populations, questions, and varying levels of rigor in the analysis. Nevertheless, several themes emerge. The purpose of this chapter is to provide an overview of other current research on public opinion and plan member satisfaction, and to place the findings of the *Task Force Survey* in context.

A. Perceptions of Managed Care

A published review of six recent surveys stated that “most Americans are well satisfied with many aspects of their care, regardless of the type of coverage they have.”²⁶ This review draws the same conclusion. Despite many differences in methodology, objective, and target population, the majority of studies finds that most people are satisfied with their own health care coverage, whether that coverage is managed care or traditional unmanaged fee-for-service (“indemnity”).

Many Americans’ attitudes toward the concept of managed care contain a level of mistrust and concern that lies in contrast to a high level of satisfaction with their individual experiences with the managed health care system. A recently released national survey by the Kaiser Family Foundation and Harvard University found that only 34% of Americans think managed care health plans do a “good job” serving customers.^{27,28} This compares poorly to the 83% ratings achieved by nurses, 69% by doctors, 61% by hospitals, and 62% by pharmaceutical companies. Thirty-two percent, however, had no opinion about the kind of job managed care plans are doing.

While most insured Americans responding to the Kaiser/Harvard survey gave their own plan a letter grade of “B” or higher, the study found that consumers are anxious about whether their plans will pay for the care they need if they get sick. The survey authors offered some possible explanations for the discrepancy between consumers’ opinions about managed care in general and their own coverage. Harvard’s Blendon suggested that “members appear satisfied with their plans today, but are concerned about what might

²⁶ Donelan K, “What Patients Really Think of Managed Care,” *Managed Care*, February 1996, 17-24.

²⁷ “Is There A Managed Care ‘Backlash?’”, Kaiser Family Foundation Press Release on the Kaiser/Harvard National Survey of Americans’ Views on Managed Care, conducted August 22 to September 23, 1997.

²⁸ A similar poll by Louis Harris found that 51% of Americans say that managed care does a “good job” serving customers, compared to 83% for physicians, 79% for pharmaceutical companies and 77% for hospitals. In comparison, telephone companies received 80% favorable ratings and banks 75%. Louis Harris Associates, 1997, cited in Alex Pham, “HMOs Seek Cure to Image Malady,” *Boston Globe*, June 12, 1997, C1.

happen to them in the future.” In addition, while people say that their feelings about managed care, favorable as well as unfavorable, are more likely to be based on personal experiences and what they have heard from family members and friends than on media coverage, the survey found that people seem to generalize from anecdotal reports in the news about problems with managed care. When asked about specific examples taken from news stories about the problems some people have reported to have had with managed care, the public’s perception is that these are fairly common occurrences.

The California Chamber of Commerce and the California Business Roundtable recently conducted a survey of business leader and voter views on managed care in general and found that 38% of voters and 47% of business leaders reported having a “somewhat negative” or “very negative” perception of managed care.²⁹ When voters recently had the opportunity to change the managed care system by approving patient protection legislation (Propositions 214 and 216 of 1996), they voted not to do so by a margin of approximately 60% No to 40% Yes.

B. Overall Satisfaction

Of all issues related to the public’s perceptions of their health care coverage “overall satisfaction” scores are the most widely reported. Unfortunately, different survey methodologies make comparing these data across studies difficult. For example, in the same week in September 1997, two studies reported that American’s satisfaction with their managed health care plans was strong and growing. One reported a satisfaction level of 90%; the other 59%.³⁰ Typical results show that approximately four out of five people are “satisfied” with their plan, with over 50% of them highly satisfied. Studies that focus on Californians reach similar conclusions, and find that California rates near the national average on overall satisfaction.

For example, the National Committee for Quality Assurance (NCQA) “Quality Compass 1997” gathered satisfaction data from 130,000 HMO members nationwide. Fifty-six percent said they were “completely or very satisfied” with their HMO, and another 25% said they were “somewhat satisfied.”

A 1997 ABC News/Washington Post survey found that nearly 90% of HMO and PPO members telephoned rated their coverage as “excellent” or “good.”³¹ These results are consistent with a 1995 Los Angeles Times survey of health care in California, which showed that 92% of HMO members rated their health care coverage “excellent” or “good.” Eighty-five percent of non-HMO managed care patients agreed, compared to 86% of

²⁹ “1997 California Business Climate Survey”, California Business Roundtable and California Chamber of Commerce, October 1997.

³⁰ “Public Opinion of Health Plans Up,” Health Market, Sep. 29, 1997, vol. XIV, #15, page 1.

³¹ “Public Opinion of Health Plans Up,” Health Market, Sep. 29, 1997, vol. XIV, #15, page 1.

traditional fee-for-service patients³². Eighty-six percent of both fee-for-service and HMO members rated the quality of care “excellent” or “good.”

A 1996 study conducted by the Pacific Business Group on Health (PBGH) surveyed 15,000 Californians from 21 different HMOs³³. Across all the plans, 77% “responded favorably” about the health plan overall. There was significant variation among plans, however, ranging from a high of 85% to a low of 67%.

Together, these studies suggest that despite the negative perceptions of managed care in general, member’s ratings of *their* managed care plan are comparable to the high ratings achieved by the components of delivery. For example, a recent survey sponsored by the American Hospital Association reported that 78% of patients rated their hospital care either “very good” or “excellent.”³⁴

C. Preferred Type of Plan

Studies that have focused on the difference between types of health plans have come to different conclusions about which type of plan produces the highest level of satisfaction. In general, they find similar levels of satisfaction between managed care and indemnity plans, and only the rank order varies. Satisfaction with cost consistently favors managed care. One exception to the generally high levels of satisfaction is POS plans.

PBGH surveyed over 15,000 Californians on 10 major categories of satisfaction. HMOs and PPO/Indemnity plans achieved “satisfied or very satisfied” ratings from 80 and 82% of respondents, respectively. POS plans, by contrast, scored only 56%³⁵. The area of greatest dissatisfaction for POS plans was “time to approve care,” with only 44% of people satisfied. PBGH found that HMOs outperformed PPOs in willingness of members to recommend and continue with their plan, cost, administrative efficiency, and medical benefits, while PPO/Indemnity received higher ratings for doctor seen most frequently, ease of referrals, quality of specialists, time to approve care, and time to reach a customer service representative.

A similar result was found by CareData Reports, Inc., an independent health care information company. Their 1996 and 1997 nationwide surveys showed POS plans scoring significantly below other types of plans³⁶. A primary area of dissatisfaction was the process of dealing with out-of-network providers. A CareData researcher explained the poor performance of POS plans as follows: “You would think that with more choice, as in a POS, satisfaction would skyrocket because of freedom of choice. But the fact that there

³² “Health Care in California”, Study #36 *Los Angeles Times*, June 1995.

³³ PBGH, *California Consumer HealthScope* 1997.

³⁴ *Eye on Patients* website (www.amhpi.com/eyeonpatients), American Hospital Publishing, 1997.

³⁵ PBGH *Health Plan Value Check* 1996.

³⁶ CareData Reports, Inc., *1998 Novartis Report On Member Satisfaction With Managed Care*

is no satisfaction with the handling of out-of-network claims dilutes that appeal of POS plans.”³⁷

A different result was found by the 1996 Sachs/Scarborough HealthPlus Survey of 90,000 consumers, where adults in good-to-excellent health rated POS plans ahead of PPO and indemnity plans, and only slightly behind HMO plans (84% satisfaction level). Adults in poor-to-fair health, however, preferred PPOs (72%) to POSs (64%).

D. Studies Comparing California to the Nation

In national surveys of HMO satisfaction, California rates near the mean. A 1996 CareData survey reported that 58.3% of Northern Californians were “highly satisfied” with their HMOs, compared to a national average of 56%³⁸. This was, however, well below the 70.8% score seen in Boston. The 1997 version of the same study showed 54.7% of Southern Californians were “highly satisfied” with their HMOs, compared with a national average of 59% and a leading score of 69.6% (Cincinnati)³⁹.

The higher level of managed care penetration in California appears to have neither a positive nor a negative impact on average overall satisfaction. The rapid growth of the market has supported some health plans that compare favorably to the best in the nation, while others fall well below the mean.

E. Areas of Dissatisfaction

Despite overall ratings that support the conclusion that Americans are quite satisfied with their health care and coverage, several studies suggest a lower level of satisfaction on several issues related to specialist care. A 1994 national telephone study found that “the major differences between managed care and these other plans occur in the area of specialty care.”⁴⁰ The same study reported, however, that managed care patients were more satisfied than indemnity plan patients with the speed of referrals to specialists. A 1995 study of Californians who switched plans during the open enrollment period rated access to physicians as the number two reason for their switch, behind cost.⁴¹

The “time required to approve care” is a consistent source of dissatisfaction across all types of plans. In one California study, HMOs, PPO/Indemnity plans, and POSs received satisfied or very satisfied ratings with time required to approve care from only 65%, 69%,

³⁷ Schwartz MP, “Significant Disparities in HMO Satisfaction: Study,” *National Underwriter*, November 6, 1995, p. 46.

³⁸ CareData Reports, 1996.

³⁹ CareData Reports, 1997.

⁴⁰ Blendon, et al., p.46.

⁴¹ California Public Employees Retirement System, 1995 *Open Enrollment Exit Survey* “Final Report for Basic Health Plans,” April 16, 1996.

and 44% of their members, respectively⁴². In addition, only 57% of HMO members “responded favorably” about the ease of getting referrals⁴³.

Problems receiving the care a patient or the patient’s physician believes is necessary is also an important source of frustration. In the PBGH *Health Plan Value Check Survey*, 17% of members in all types of plans reported having such problems⁴⁴.

F. Trends

Studies that track satisfaction over time report a general stabilization in consumer attitudes over the past two years⁴⁵. The researchers say these results suggest that managed care is achieving and maintaining high levels of satisfaction, even as a larger percentage of the population is exposed to it. One possible explanation for this trend is a growing familiarity of the general public with the concept of managed care, indicative of a normal adoption process for any new product or service⁴⁶.

CareData found that between 1995 and 1997, the number of “highly satisfied” people rose from 56% to 59%⁴⁷. NRC, which has conducted a series of six studies beginning in 1987, found a slight increase of “completely or very satisfied” patients from 55.9% in 1994 to 56.3% in 1996⁴⁸. Medicare HMO plans showed the greatest increase in satisfaction, while HMO enrollees showed a decrease from 63.6% to 58.3%. In California, a CalPERS analysis of PBGH member satisfaction survey results during the period 1993 to 1995 revealed a small increase in satisfaction with both HMOs and PPOs, with 80% and 82% of members satisfied respectively⁴⁹. However, CalPERS also found that members’ satisfaction decreases if they experience administrative processes such as submitting a claim, seeking approval of care, and making a telephone call to their plan.

G. Satisfaction vs. Quality

The relationship between satisfaction and quality of care is complex and not definitively understood. In general, satisfaction levels with *health plans* are higher than the perceptions of care quality, although satisfaction with *physician* quality is consistently high. PBGH, in cooperation with The Medical Quality Commission, surveyed 60,000

⁴² PBGH *Health Plan Value Check* 1996.

⁴³ PBGH *California Consumer HealthScope* 1997.

⁴⁴ PBGH, *Health Plan Value Check* 1996.

⁴⁵ “Consumer Satisfaction Surveys and Health Plans,” *Research Highlights*, American Association of Health Plans, July 14, 1997, based on National Research Corporation *NRC Healthcare Market Guide V and VI*, 1994, 1996.

⁴⁶ “Public Opinion of Health Plan Up, Choice of Physician Seen Rising,” *Health Market* vol. XIV, #15, September 29, 1997, p. 3.

⁴⁷ CareData *Survey of Health Plan Members* 1995, 1997.

⁴⁸ National Research Corporation *NRC Healthcare Market Guide V and VI*, 1994, 1996 cited in Joyce Jensen, “HMO Satisfaction Slipping,” *Modern Healthcare*, Oct. 7, 1996, p. 86.

⁴⁹ Stanley M, Testimony presented to the Managed Health Care Improvement Task Force, July 26, 1997 based on analysis of PBGH *Health Plan Value Check* member satisfaction survey.

patients in 58 physician groups and PPOs in California and the Northwest.⁵⁰ Using a 100 point scale, the average score on “overall satisfaction with doctor” was 80.2 in Northern California and 77.8 in Southern California. Overall rating of the quality of care, however, was only 67 in Northern California and 63.5 in Southern California.

In other areas of the country, plans that score well on objective measures of quality do not necessarily perform well on member satisfaction surveys. A study by the Massachusetts Healthcare Purchasing Group, a coalition of government and corporations, found that some plans that scored high on quality indicators were below average in customer satisfaction.⁵¹ The relative importance of the care delivered in the clinic or the physician office and the administrative and operational processes that influence member satisfaction is a point of ongoing study.

H. Medicare Managed Care

The growth of managed care among the Medicare population has produced high satisfaction ratings. Evaluations of satisfaction and disenrollment rates indicate that Medicare HMO enrollees are generally satisfied with their care.⁵² Large studies conducted by NRC in 1994 and 1996 show that Medicare HMO patients are more satisfied than their younger counterparts of comparable health.⁵³ A 1994 study sponsored by the American Hospital Association found 93% of Medicare HMO patients rated their HMO good, very good, or excellent, which is equal to the ratings of fee-for-service Medicare beneficiaries.⁵⁴

I. Impact of Health Status on Satisfaction

A common critique of many satisfaction studies in this field is that they emphasize the view of plan members who are healthy, and who therefore have minimal, if any, recent experience with the health care system. Several studies have attempted to eliminate this bias by focusing on the perceptions of those whose health status is poor.

A 1995 study compared the responses of managed care patients who had been sick in the past year to comparable indemnity plan patients in a number of areas.⁵⁵ The study found that those who had been sick were more negative about their coverage than healthy plan members. Furthermore, the study found that:

⁵⁰ The Pacific Business Group on Health and The Medical Quality Commission, *The Physician Value Check Survey Report*, 1997.

⁵¹ Spragins E, “The Numbers Racket,” *Newsweek*, May 5, 1997, p. 77.

⁵² Riley GF, Ingber MJ, and Tudor CG, “Disenrollment of Medicare Beneficiaries From HMOs,” *Health Affairs*, September/October 1997, pp. 117-124.

⁵³ National Research Corporation, *Healthcare Market Survey 1994 & 1996*, cited in “Research Highlights” (RH 4/24-97), American Association of Health Plans, July 14, 1997.

⁵⁴ American Hospital Association, May 1994, cited in “Research Highlights” (RH 4/24-97), American Association of Health Plans, July 14, 1997.

⁵⁵ Donelan K, et al., “All Payer, Single Payer, Managed Care, No Payer: Patients’ Perspectives in Three Nations,” *Health Affairs*, Summer 1996, 254-265.

“those in limited choice managed care plans were significantly more likely than those in fee-for-service plans to say that, on their most recent visit, they thought that the care was not appropriate or correct for their situation, the examination was not thorough enough, or the doctor did not spend enough time with them.”⁵⁶

These findings are supported by several other studies, but it is important to note that the decrease in satisfaction is not unique to managed care. Indemnity plan members also report a lower satisfaction when their health status is fair-to-poor, though this group’s overall satisfaction level tends to be higher than those managed care plan members who are in fair-to-poor health. The authors’ conclusions from this research emphasize the importance of measuring customer satisfaction based on the opinions of those most familiar with the health care system, and not letting these views be masked by the vast majority of people who have favorable, but relatively uninformed views of the system.

In California, CalPERS analyzed results from the PBGH Health Plan Value Check and also found that, for members who were hospitalized or required more services, satisfaction with HMOs and PPOs were often lower than satisfaction of members in general.⁵⁷ Seven plans had satisfaction levels for non-Medicare sick members (five plans for sick Medicare members) that were five or more percentage points below the satisfaction levels for those members who were not sick. For some plans, however, satisfaction increased for those who were sick.

J. Impact of Choice on Satisfaction

Two studies conducted by The Commonwealth Fund in 1994 and 1997 focus on how satisfaction with health plans is affected by the level of choice employees are given in selecting their own coverage. A 1997 study showed that while 17% of people were “somewhat or very dissatisfied” with their managed care plan, dissatisfaction ranged from 22% among those with no choice to only 14% among those with a choice.⁵⁸ The same effect held for indemnity plans, where a 12% overall dissatisfaction level is split 14% among those with no choice and only 8% among those with a choice.

A 1994 survey of 3000 workers in Los Angeles, Boston, and Miami showed similar results. Managed care members whose employers offered no choice were twice as likely (31% vs. 16%) to be dissatisfied with the plan overall as those who were given a choice.⁵⁹ Particular areas of dissatisfaction included referrals to specialists, availability of emergency services, and waiting time for appointments.

⁵⁶ Donelan, pp. 262-263.

⁵⁷ Stanley M, Testimony presented to the Managed Health Care Improvement Task Force, July 26, 1997, based on analysis of PBGH *Health Plan Value Check* member satisfaction survey.

⁵⁸ Davis K and Schoen C, “Managed Care, Choice, and Patient Satisfaction,” The Commonwealth Fund, August 1997, p. 7.

⁵⁹ Davis K, et al., “Choice Matters: Enrollees’ Views of their Health Plans,” *Health Affairs*, Summer 1995. Based on The Commonwealth Fund Survey of Patient Experiences with Managed Care, 1994.

K. Sources of Variation in Results across Surveys

The news media have given managed care satisfaction studies significant coverage. In turn, the public has received a wide range of often contradictory reports about the ability of managed care plans to satisfy their needs. One major source of this variation is the choice of scale. Depending on the study, “satisfaction” is defined as three or above on a five point scale, or limited to six or above on a seven point scale. This simple factor can produce satisfaction ratings that vary by over 30 percentage points, thereby painting very different pictures of the public’s perception.

Critics of many satisfaction studies point to the fact that plans tend to survey far more healthy people than those with actual experience with how the system treats patients. Healthy people are more numerous and likely to give high satisfaction ratings, and their opinions can mask real dissatisfaction by those who are heavy users of the health care system. Furthermore, those who are dissatisfied and leave plans are often not included in the sample pools. Rigorous studies oversample these populations to get a more balanced view of member satisfaction.

II. CONCLUSION

The majority of recent research concludes that Americans and Californians, particularly those who are healthy, are generally satisfied with their health care coverage. Negative popular perceptions of managed care persist, but they are not necessarily consistent with individuals’ ratings of their own health care experience. HMOs and PPOs achieve satisfaction levels comparable, if not favorable to, indemnity plans on many satisfaction measures, and HMOs consistently score higher marks for their lower cost. POS plans are relatively new and have generated mixed results. Medicare beneficiaries are generally satisfied with their managed care experience. The common areas of dissatisfaction across managed care plans are in the areas of access to and quality of specialist care. Satisfaction is lower among populations with poor health status, and it is higher for people who are given a choice of health plans.